

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SANTO DOMINGO 006123

SIPDIS

DEPT FOR WHA, WHA/CAR, WHA/EPSC, EB/IFD; TREASURY FOR NANCY LEE, LLAMONICA; NSC FOR SHANNON; DEPT PASS USAID

E.O. 12958: DECL: 10/29/2008

TAGS: [PGOV](#) [EFIN](#) [DR](#)

SUBJECT: PRESIDENT MEJIA VOWS FIRMNESS IN IMF COMMITMENT, INSISTS HE WILL KEEP BANINTER OFFICIAL IN JAIL

REF: TD-314 55692-03 OF 29 OCTOBER

Classified By: Ambassador Hans Hertell. Reason 1.5(b) and (d).

[11](#). (C) Speaking at length to the Ambassador on October 28, President Mejia emphatically took credit for seeking IMF support in mid-2003 and for his aggressive campaign to bring home to the business sector the need to meet IMF commitments.

He was particularly annoyed at the sluggish response of business sectors that were benefiting from devaluation: "I said there was no alternative. Do they expect the President to shut down the exchange houses, impose a government exchange rate and use force to collect revenue and control the population? I will not do those things. But I said they would have to come up with ways to finance the government budget." Dominican businesses are "not used to paying taxes," he commented, "and they are bribing the Congress to block my tax bills. They are sadists. They give me smiles and suggestions, but up until now they have not contributed."

He takes grim satisfaction that he has obliged hoteliers, free zone exporters and manufacturers to sign commitments to provide specific amounts on a "voluntary" basis until the tax code can be reformed in late 2004.

REPRIVATIZATION OF THE 'EDES'

[12](#). (C) Mejia gave the Ambassador, DCM and EcoPol a copy of his just-published decree establishing a committee to report in 90 days to propose changes in laws and regulations to allow the privatization of the (ex-Union-Fenosa) electricity distribution companies serving the north and south, with specific provision for GODR ownership to be reduced to 25 percent.

BANINTER

[13](#). (C) When Mejia mentioned the bankrupt Baninter in passing, the Ambassador told him that several persons had commented, following Mejia's visit last week to the Baez's father's home, that they expected to see "Ramoncito" Baez Figueroa out on bail soon. Mejia was emphatic: "If he gets out, I will put him right back in jail! I will have any of them arrested. Those people show a complete lack of respect. Their lawyers have gone over to embrace Leonel Fernandez and his foundation."

[14](#). (C) The President showed the Ambassador thick catalogs detailing small-scale projects left unfinished for lack of government funding. He spoke of his satisfaction at renovations he had authorized and carried out in the Puerto Plata area following the September earthquake, with much of the work done by the armed forces. He spoke with distaste of the IFIs, emphasizing that he had received "nothing" from the World Bank in 40 months.

[15](#). (C) The ruling PRD will have its convention in three weeks, Mejia said. He expects to win easily; his supporters hold 60 percent or more of PRD offices.

EXTRADITIONS

[16](#). (C) The Ambassador provided a list of 21 fugitives whose extradition was pending the required presidential decree. Mejia called in a legal technician, who stated that the paperwork had not yet arrived from the Supreme Court. "Find it," said Mejia. "We don't want these people here. Give me the decrees tomorrow."

COMMENT

[17](#). (C) Despite the characteristic force and bark of his remarks, Mejia was evidently in a good mood. He responded well when the Ambassador urged him to continue his leadership, private and public, for the IMF commitments. The President turned to the recently arrived EcoPol chief to comment, with satisfaction, "You won't find a country like this anywhere else in Latin America, or any President who will tell the Americans as straight-out as I do." Fresh from a successful bout with business interests, he appeared to relish the prospect of getting back into the barrios and up on the stage at the party convention.

HERTELL